Government of Saskatchewan

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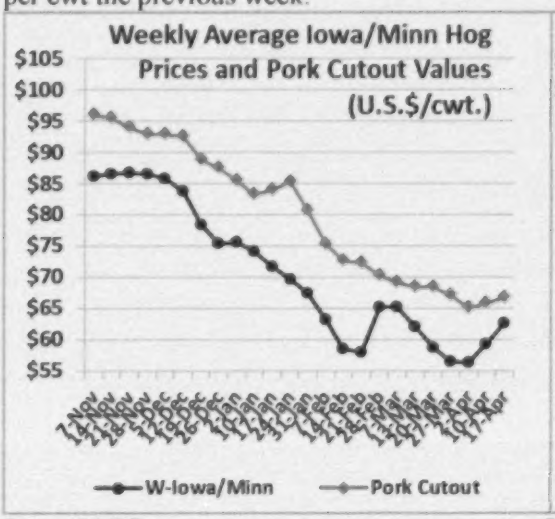
Weekly Hog Report

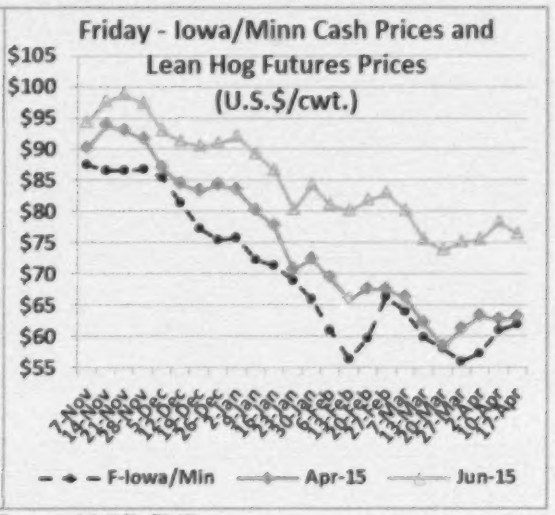
April 20, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) were mixed over the week but ended last Friday higher; week-over-week. Hog prices on Friday averaged US$61.97 per cwt, up US$0.97 per cwt from US$61.00 per cwt the previous Friday. The negotiated base price for the week averaged US$62.64 per cwt, up US$3.39 per cwt from US$59.25 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

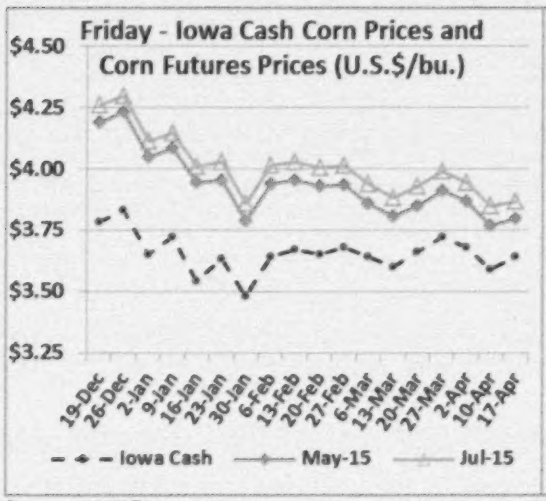
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday April 17, 2015 was $140.35 per ckg, up $3.89 per ckg from $136.46 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $142.07 per ckg, up $9.69 per ckg from the previous weeks' average price of $132.43 per ckg. The Canadian dollar moved higher last week passing 82 cents mid-week before pulling back to close Friday at 81.78 cents; still up 2.29 cents from the previous Friday's close of 79.49 cents.

Futures Markets

Lean hog futures daily prices were mixed last week and ended overall lower. The nearby April contract increased US$0.430 per cwt to expire Friday at US$62.980 per cwt. The May 2015 lean hog futures contract declined US$1.250 per cwt to settle Friday at US$70.525 per cwt, while the June 2015 contract declined US$1.875 per cwt to settle Friday at US$76.275 per cwt. Future prices for the spring (May) and early summer (June) are currently about US$8 and US$14 per cwt higher than today's cash price.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were mixed last week. Weighted average cash prices for iso-weans (12lb) last week were US$34.19 per head, down US$0.37 per head from US$34.56 per head the previous week. Feeders (40lb) were US$66.10 per head, up US$0.99 per head from US$65.11 per head the previous week.



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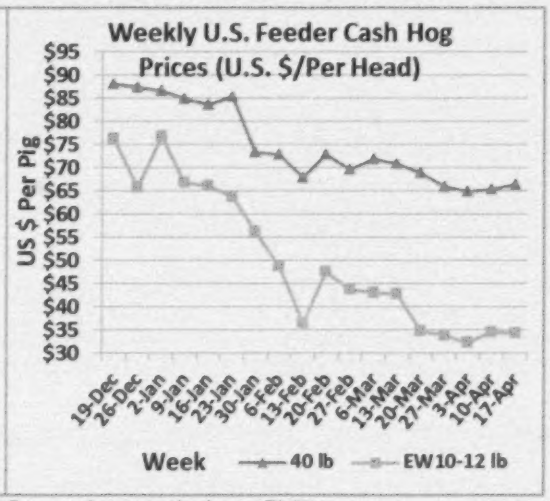


Source: Iowa Agriculture, CME

Iowa cash corn prices moved higher last week increasing five cents per bushel to end Friday at US$3.64 per bushel. Daily U.S. corn futures prices were higher for most of the week except Monday, ending the week higher, week-over-week. The May 2015 corn contract increased almost three cents to settle Friday at $3.79¾ per bushel, while the July contract increased two cents to settle Friday at US$3.86¾ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 18 were estimated at 2.243 million head, up 3.3 per cent from 2.172 million head the previous week, and up 12.0 per cent from 2.003 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks averaged 2.221 million head per week, up 10.2 per cent from 2.016 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending April 11, 2015 were estimated at 392,446 head, up 14.0 per cent from 344,223 head the previous shorter Easter week, and up 0.8 per cent from 389,476 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending April 11, 2015, were estimated to average 381,945 head, down 4.6 per cent from 400,412 head over the same period a year ago. Canadian hogs slaughtered year-to-date are up one per cent to just over 6 million head slaughtered, compared to the same period in 2014.

In Western Canada, hogs slaughtered over the last four weeks averaged 162,856 head, down 1.1 per cent from 164,666 head over the same period a year ago. Western Canadian hogs slaughtered year-to-date have totaled 2.503 million head, up about 1.9 per cent from 2.456 million head the same period a year ago.

Meat Production

U.S. pork production for the week ending April 18, 2015 was estimated at 479.4 million lb., up 3.2 per cent from 464.5 million lb. the previous week, and up 10.7 per cent from 433.1 million lb. the same week a year ago. Hog weights have come down 2-to-3 lbs. from a year ago. Pork production over the last four weeks ending April 18 was estimated to average 474.7 million lb., up 9.3 per cent from 434.1 million lb. over the same four week period a year ago.

U.S. beef production for the week ending April 18, totaled 433.2 million lb., up 6.1 per cent from 408.3 million lb. the previous week, but down 2.7 per cent from 445.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending April 11, 2015, was estimated to average 1.974 billion lb., up 3.1 per cent from 1.914 billion lb. over the same four weeks a year ago. Total U.S. meat production year-to-date for 2015 is estimated to be up 3.7 per cent compared to the same period in 2014.

United States Weekly Meat Production

(April 11) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	434.8	474.5	9.1%	6.5%
Beef	460.9	424.2	-8.0%	-4.4%
Chicken	887.1	947.0	6.8%	6.5%
Turkey	131.7	128.1	-2.7%	3.5%
Total	**1,914.4**	**1,973.8**	**3.10%**	**3.74%**

Source: LMIC

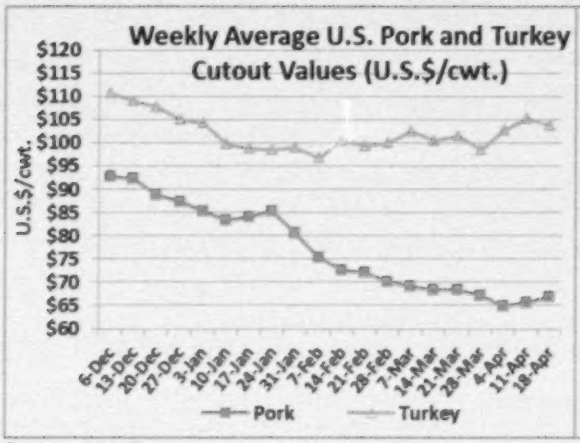
Cutout Values

U.S. pork cutout values for the week ending April 18, 2015 averaged US$66.77 per cwt, up US$1.04 per cwt from US$65.73 per cwt the previous week, but down 45.2 per cent from US$121.74 per cwt from a year ago.

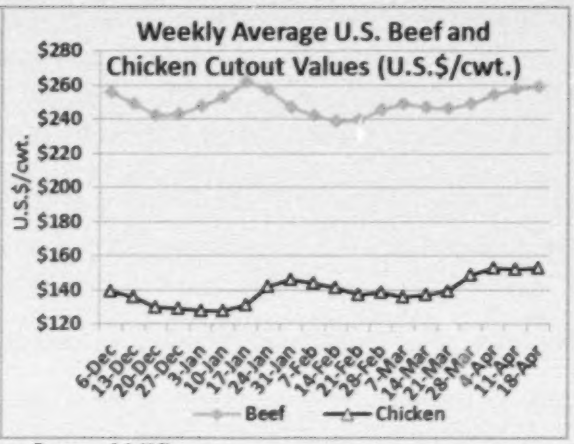
Average beef cutout values (Choice 600-900 lb.) for the week ending April 18 averaged US$259.02 per cwt, up US$1.52 per cwt from US$257.50 per cwt from the previous week, and up 15.5 per cent from US$224.27 per cwt the same week a year ago.

Average chicken cutout values (Northeast breast) for the week ending April 18 averaged US$152.24 per cwt, up US$0.36 per cwt from US$151.88 per cwt from the previous week, but down 11.9 per cent from US$172.79 per cwt the same week a year ago.

While pork cutout values have edged higher the last two weeks they have been on a free fall since early 2015. In contrast, beef, chicken and turkey cutout values have been steady to higher the last few months. With barbeque season in sight and higher competing meat prices, pork cutout values should move higher in the coming weeks.



Source: LMIC



Source: LMIC

Foreign Agricultural Services of the USDA office of Global Analysis released the April, *Livestock and Poultry: World Markets and Trade* report last week. World beef and veal production estimates for 2015 were revised a half per cent higher from the October estimates with notable production increases to China (+6.7%) and India (5.9%). United States beef and veal production was revised higher from the October estimates with U.S. production for 2015 now slightly below 2014 production levels. Global beef and veal exports for 2015 were revised 2.6 per cent higher from the October estimates, and two per cent higher than 2014 exports. Export increases were primarily from projected increases by India (23%), while Australia (-10%) and the U.S. (-4%) were estimated to reduce their beef and veal exports in 2015.

Global pork production was lowered 0.8 per cent from the October estimates with decreases to China and Brazil. Global hog production for 2015 is still projected to be about 0.4 per cent higher than 2014. The pig crop in China for 2015 was projected at 682.3 million head, down over 47 million head or 6.5 per cent from the 2014 pig crop. Global pork export estimates for 2015 were reduced 5.3 per cent from October but still estimated to be about one per cent higher than 2014. Most of the export increases from 2014 are expected to come from the European Union, while there are projected export declines for Brazil and the United States.
http://apps.fas.usda.gov/psdonline/circulars/livestock_poultry.pdf

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